

Presented to the Court by the foreman of the  
Grand Jury in open Court, in the presence of  
the Grand Jury and FILED in The U.S.  
DISTRICT COURT at Seattle, Washington.

*December 18.....2002*  
BRUCE RIFKIN, Clerk  
By *A. Brent Scherry* Deputy

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

) NO. CR02-421C

v.  
HUSSEIN ALSHAFEI,  
aka ABU ALI  
aka ABU ALLAWI;

) SUPERSEDING  
INDICTMENT

ALSHAFEI FAMILY CONNECT, INC;

ALI MOHAMMUD ALI ABBAS,  
aka ABDULLA ALI ABBAS,  
aka ABU HAMID;

HAIDER AMER FAKHER;

FNU (First Name Unknown) FAKHER,  
aka ABU HAIDER;

HASHIM MOHSIN ALMOSAWI;

ABDULILAH HAMID DAOUD,  
aka ABD ALELAH,  
aka ABU MAZEN;

AHMED FAYADH KATHE,  
aka AHMED FAYADH,  
aka AIIMED FAYADH KAWTHER,  
aka ABU KAWTHER;

SALAM SAID ALKHURSAN;

KHALID AMEN,  
aka KHALID AL AMIN,  
aka KHALID AL KHAFAJI,  
aka KHALID KHAFAJI;



CR 02-00421 - 00000006

UNITED STATES ATTORNEY  
601 UNION STREET, SUITE 5100  
SEATTLE, WASHINGTON 98101-3903  
(206) 553-7970

1 ALI NOOR ALSUTANI,  
2 aka ALI ALSULTANI;  
3 ALI ALMARHOUN; and  
4 MALIK ALMALIKI,  
5 aka ALI AL MALIKI,  
6 aka MALIK MALIKI,  
Defendants.

The Grand Jury charges that:

## INTRODUCTION

- 10 1. ALSHAFEI FAMILY CONNECT, INC., is a Washington Corporation with its  
11 principal place of business at Edmonds, Washington.

12 2. ALSHAFEI FAMILY CONNECT, INC., is solely owned and operated  
13 principally by HUSSEIN ALSHAFEI, aka ABU ALI, aka ABU ALLAWI.

14 3. HUSSEIN ALSHAFEI is a native of Iraq and a naturalized United States citizen  
15 residing in Edmonds, Washington, who between approximately April 2000 and January  
16 2002, in violation of the International Emergency Economic Powers Act, (IEEPA),  
17 transmitted approximately \$12,073,422 in funds or goods for the benefit of a person or  
18 persons in Iraq.

19 4. ALI MOHAMMUD ALI ABBAS, aka ABDULLA ALI ABBAS, aka ABU  
20 HAMID resides in Jordan and acts as an agent of ALSHAFEI FAMILY CONNECT,  
21 INC., in Jordan. ALI MOHAMMUD ALI ABBAS, aka ABDULLA ALI ABBAS aka  
22 ABU HAMID facilitates the transfer of funds from ALSHAFEI FAMILY CONNECT,  
23 INC., to First Name Unknown (FNU) FAKHER, aka ABU HAIDER and HAIDER  
24 AMER FAKHER in Iraq.

25 5. First Name Unknown (FNU) FAKHER, aka ABU HAIDER is a resident of Iraq  
26 who operates in Iraq as “Al-Nour Trading.” FNU FAKHER acts as an agent of  
27 ALSHAFEI FAMILY CONNECT, INC., in Iraq.

1     6. HAIDER AMER FAKHER is also a resident of Iraq who operates in Iraq as "Al-  
 2 Nour Trading." HAIDER AMER FAKHER also acts as an agent of ALSHAFEI  
 3 FAMILY CONNECT, INC., in Iraq.

4     7. HASHIM MOHSIN ALMOSAWI, a resident of Everett, Washington, and an  
 5 employee of ALSHAFEI FAMILY CONNECT, INC., facilitated the transfer of funds  
 6 from the United States to Iraq.

7     8. ABDULILAH HAMID DAOUD, a resident of London, England, and the owner  
 8 of Magnum Industrial, LTD, acted as an intermediary receiving funds from ALSHAFEI  
 9 and forwarding goods or funds for the benefit of an individual or individuals in Iraq.

10    9. AHMED FAYADH KATHE, a resident of Dubai, United Arab Emirates, and  
 11 the operator of Amayl Trading, acted as an intermediary receiving funds from  
 12 ALSHAFEI and forwarding goods or funds for the benefit of an individual or  
 13 individuals in Iraq.

14    10. SALAM SAID ALKHURSAN, a resident of the Dallas, Texas, area, operated as  
 15 a domestic agent for ALSHAFEI, collecting approximately \$993,538 which funds were  
 16 forwarded to ALSHAFEI for transmittal to Iraq.

17    11. KAALID AMEN, a resident of the St. Louis, Missouri, area, operated as a  
 18 domestic agent for ALSHAFEI, collecting approximately \$513,960 which funds were  
 19 forwarded to ALSHAFEI for transmittal to Iraq.

20    12. ALI NOOR ALSUTANI, a resident of the Nashville, Tennessee, area, operated  
 21 as a domestic agent for ALSHAFEI, collecting approximately \$139,302 which funds  
 22 were forwarded to ALSHAFEI for transmittal to Iraq.

23    13. ALI ALMARHOUN, a resident of the Phoenix, Arizona, area, operated as a  
 24 domestic agent for ALSHAFEI, collecting approximately \$347,570 which funds were  
 25 forwarded to ALSHAFEI for transmittal to Iraq.

26    14. MALIK ALMALIKI, a resident of the Roanoke, Virginia, area, operated as a  
 27 domestic agent for ALSHAFEI, collecting approximately \$133,235 which funds were  
 28 forwarded to ALSHAFEI for transmittal to Iraq.

1                   **APPLICABLE REGULATIONS AND LAWS**

2       15. Title 50, United States Code, Sections 1701 *et seq.*, known as the International  
 3       Emergency Economic Powers Act (“IEEPA”), grants the President the authority to,  
 4       among other things, “investigate, regulate, or prohibit – any transactions in foreign  
 5       exchange” including “transfers of credit or payments between, by, through, or to any  
 6       banking institution, to the extent that such transfers or payments involve any interest of  
 7       any foreign country or a national thereof [as well as] the importing or exporting of  
 8       currency or securities.” 50 U.S.C. § 1701(a)(1)(A). Section 1701 grants the President  
 9       the power to exercise this authority upon declaration of a national emergency.

10      16. In Executive Order Number 12722, signed on August 2, 1990, President  
 11     George Bush declared that “the policies and actions of the Government of Iraq  
 12     constitute an unusual and extraordinary threat to the national security and foreign policy  
 13     of the United States,” and declared “a national emergency to deal with that threat.” The  
 14     Order, still in effect, prohibits certain trade-related activities with Iraq. In particular,  
 15     Executive Order Number 12724, signed by President Bush on August 13, 1990,  
 16     prohibits activities relating to Iraq, including “any commitment or transfer, direct or  
 17     indirect, of funds, or other financial or economic resources by any United States person  
 18     to the Government of Iraq or any other person in Iraq.” In addition, the Order  
 19     specifically prohibits “[a]ny transaction by any United States person that evades or  
 20     avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in  
 21     this order.” The Order defines the term “United States person” as “any United States  
 22     citizen, permanent resident alien, judicial person organized under the laws of the United  
 23     States (including foreign branches), or any person in the United States, and vessels of  
 24     U.S. registration.”

25      17. Every year since 1990, the President has continued the national emergency with  
 26     respect to Iraq. These Executive Orders have authorized the Secretary of the Treasury,  
 27     in consultation with the Secretary of State, “to take such actions, including the

1 promulgation of rules and regulations, as may be necessary to carry out the purposes,"  
 2 of the Executive Orders.

3 18. Pursuant to this authority, the Office of Foreign Assets Control, the office within  
 4 the Department of Treasury charged with the responsibility of administering sanctions  
 5 against foreign entities, promulgated regulations to implement the Executive Orders.

6 The relevant regulations are located in Title 31 of the Code of Federal Regulations,  
 7 Section 575 and state, in part, that "no U.S. person may commit or transfer, directly or  
 8 indirectly, funds or other financial or economic resources to the government of Iraq."

9 31 C.F.R. § 575.210. In addition, section 575.211 states "a[ny] transaction for the  
 10 purpose of, or which has the effect of, evading or avoiding, or which facilitates the  
 11 evasion or avoidance of, any of the prohibitions set forth in this subpart [Prohibitions] is  
 12 hereby prohibited. Any attempt to violate the prohibitions set forth in this part [Iraqi  
 13 Sanctions Regulations] is hereby prohibited. Any conspiracy formed for the purpose of  
 14 engaging in a transaction prohibited by this part is prohibited."

15 19. Title 18, United States Code, Section 1956(c)(7)(D), identifies violations of the  
 16 International Emergency Economic Powers Act, Title 50, United States Code, Section  
 17 1705, as a "specified unlawful activity," thus categorizing the transfer of funds from the  
 18 United States to Iraq as money laundering.

### **THE CHARGES**

#### **COUNT 1 (Conspiracy to Launder Monetary Instruments)**

20 20. Beginning at a time unknown but within the last five years and continuing  
 21 through the date of this Indictment, within the Western District of Washington and  
 22 elsewhere, HUSSEIN ALSHIAFEI, aka ABU ALI, aka ABU ALLAWI, ALSHAFEI  
 23 FAMILY CONNECT, INC., ALI MOHAMMUD ALI ABBAS, aka ABDULLA ALI  
 24 ABBAS, aka ABU HAMID, HAIDER AMER FAKHER, FNU (First Name Unknown)  
 25 FAKHER aka ABU HAIDER, HASHIM MOHSIN ALMOSAWI, ABDULILAH  
 26 HAMID DAOUD, aka ABD ALELAH, aka ABU MAZEN, AHMED FAYADH  
 27 KATHE, aka AHMED FAYADH, aka AHMED FAYADH KAWTHER, aka ABU  
 28

1 KAWTHER, SALAM SAID ALKHURSAN, KHALID AMEN, aka KHALID AL  
 2 AMIN, aka KHALID AL KHAFAJI, aka KHALID KHAFAJI, ALI NOOR  
 3 ALSUTANI, aka ALI ALSULTANI, ALI ALMARIOUN, and MALIK ALMALIKI,  
 4 aka ALI AL MALIKI, aka MALIK MALIKI, and others known and unknown to the  
 5 grand jury, did knowingly and intentionally conspire to transmit and transfer funds via  
 6 wire from places in the United States, including Lynnwood, Washington, Seattle,  
 7 Washington, and New York, New York, to places outside the United States, including  
 8 England, India, Canada, Brazil, Taiwan, Egypt, Jordan, United Arab Emirates (UAE),  
 9 and Iraq, with the intent to promote the carrying on of specified unlawful activity, that  
 10 is, the transfer of funds or goods to persons in Iraq, in violation of the International  
 11 Emergency Economic Powers Act.

12 All in violation of Title 18, United States Code, Section 1956(h).

13 **COUNTS 2 - 8**  
 14 **(Money Laundering)**

15 21. On or about the dates specified below, within the Western District of Washington  
 16 and elsewhere, HUSSEIN ALSHAFEI transmitted funds from a place in the United  
 17 States to a place outside the United States with the intent to promote the carrying on of  
 18 specified unlawful activity, that is, the violation of the International Emergency  
 19 Economic Powers Act as follows:

Ct	Date	From (Debit Bank)	To (Credit Bank)	Intermediary	Beneficiary	Amount
2	07/03/00	City Bank Lynnwood, WA	Andhra Bank Bombay, India	Reliable Engineering	Abu Haider, Iraq	\$13,500
3	11/01/00	City Bank Lynnwood, WA	City Bank, SA Brazil	Twins International	Abu Haider, Iraq	\$11,000
4	02/16/01	Bank of America Seattle, WA	Royal Bank of Canada, Montreal, Canada	Spark Electro	Abu Haider, Iraq	\$5,000
5	02/21/01	Bank of America Seattle, WA	Hau Nan Commercial Bank Taipei, Taiwan	Yehmad Industries	Abu Haider, Iraq	\$40,310

1	6	07/06/01	Bank of America Seattle, WA	Arab Banking Corp. Cairo, Egypt	GMMA-Group Cairo	Abu Haider, Iraq	\$40,000
2	7	12/12/01	Bank of America Seattle, WA	Commerial Bank Int'l Dubai, United Arab Emirates	Alhadba Trading Co.	Abu Haider, Iraq	\$75,000
3	8	01/16/02	Bank of America Seattle, WA	Commerial Bank Int'l Dubai, United Arab Emirates	Amyal Trading Co.	Abu Haider, Iraq	\$10,000

8 All in violation of Title 18, United States Code, Section 1956(a)(2)(A).

9 **COUNTS 9 - 35**  
10 **(Money Laundering)**

11 On or about the dates specified below, within the Western District of Washington  
12 and elsewhere, HUSSEIN ALSHAFFEI, aided, abetted and induced by ABDULIL  
13 HAMID DAOUD, transmitted funds from a place in the United States to a place outside  
14 the United States with the intent to promote the carrying on of specified unlawful  
15 activity, that is, the violation of the International Emergency Economic Powers Act as  
16 follows:

Ct	Date	From (Debit Bank)	To (Credit Bank)	Intermediary	Beneficiary	Amount
9	05/19/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$23,883
10	06/06/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$4,950
11	06/21/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$10,000
12	07/27/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$42,138
13	08/07/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$15,000
14	09/08/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$47,600
15	09/26/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$10,000

1	16	11/01/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$57,600
2	17	11/17/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$71,275
3	18	11/24/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$10,280
4	19	12/05/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$55,000
5	20	12/14/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$44,520
6	21	12/27/00	City Bank Lynnwood, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$32,400
7	22	01/24/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$70,000
8	23	02/14/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$75,517
9	24	02/21/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$15,000
10	25	03/02/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$8,000
11	26	03/15/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$45,000
12	27	03/22/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$23,746
13	28	04/10/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$6,916
14	29	05/01/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$15,000
15	30	05/30/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum International London, England	Abu Haider, Iraq	\$12,836
16	31	06/14/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$15,000
17	32	07/09/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum Industrial London, England	Abu Haider, Iraq	\$10,737
18	33	08/07/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum International London, England	Abu Haider, Iraq	\$70,000
19	34	08/16/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum International London, England	Abu Haider, Iraq	\$21,810

1	35	08/23/01	Bank of America Seattle, WA	Lloyd's Bank London, England	Magnum International London, England	Abu Haider, Iraq	\$10,718
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3  
4 All in violation of Title 18, United States Code, Section 1956(a)(2)(A) and  
5 Section 2.

6 **CRIMINAL FORFEITURE ALLEGATIONS**

7 22. Pursuant to Title 18, United States Code, Section 982(a)(1), each defendant who  
8 is convicted of one or more of the offenses set forth in Counts 1- 35 shall forfeit to the  
9 United States the following property:

10 a. All right, title, and interest in any and all property involved in each offense  
11 in violation of Title 18, United States Code, Section 1956, or conspiracy to  
12 commit such offense, for which the defendant is convicted, and all  
13 property traceable to such property, including the following:

14 1. MONEY JUDGMENT

15 A sum of money equal to \$12,073,422 in United States funds, representing  
16 the total amount of funds involved in each money laundering offense, or  
17 conspiracy to launder monetary instruments. If more than one defendant is  
18 convicted of an offense, the defendants so convicted are jointly and  
19 severally liable for the amount involved in such offense.

20 2. BANK ACCOUNTS

- 21 a. all funds in Comerica Bank account # 1850845890, under the name  
22 ALSHAFEI FAMILY CONNECT, INC.;  
23 b. all funds in Bank of America account # 60587482, under the name  
24 Ghanim B. Aljobori;

c. all funds in Homestreet Bank account # 5100163665, in the name  
ALSHAFEI FAMILY CONNECT, INC; and

If any of the above-described forfeitable property, as a result of any act or omission of the defendants:

- (a) cannot be located upon the exercise of due diligence;
  - (b) has been transferred or sold to, or deposited with, a third party;
  - (c) has been placed beyond the jurisdiction of the court;
  - (d) has been substantially diminished in value; or
  - (e) has been commingled with other property which cannot be divided without difficulty;

it is the intent of the United States, pursuant to 21 U.S.C. § 853(p) as incorporated by 18 U.S.C. § 982(b), to seek forfeiture of any other property of said defendants up to the value of the forfeitable property described above.

A TRUE BILL:

DATED: 12-12-52

## FOREPERSON

ELIE LEVIN

**JOHN MCKAY**  
United States Attorney

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FLOYD G. SHORT  
Assistant United States Attorney

FRANCIS J. DISKIN  
Assistant United States Attorney

TESSA M. GORMAN  
Assistant United States Attorney

**RICHARD E. COHEN**  
Assistant United States Attorney